

Attendance of the January 19, 2005 GMTF Meeting
(based on sign-in sheet)

Name	Agency
Adams, Hon. Steve	City of Riverside
Berger, Bob	PBQD
Bone, Hon. Lou	City of Tustin
Bower, Nancy	California Highway Patrol
Brown, Hon. Art	City of Buena Park
Cartwright, Kerry	Port of Long Beach
Catz, Sarah	Golden State Gateway Coalition
Cheng, Luke	LACMTA
Cottrill, Larry	Port of Long Beach
Dale, Hon. Lawrence	City of Barstow
Daniels, Hon. Gene	City of Paramount
DeCesare, Jon	WCL Consulting
Dorland, Kanya	Port of Los Angeles
Fetty, George	George Fetty and Associates
Flickinger, Hon. Bonnie	City of Moreno Valley
Gillings, Bruce	NAIOP
Goodwin, Art	ACTA
Green, Gary	Caltrans District 8
Guss, Ron	California Trucking Association
Hart, Arno	Wilbur Smith Associates
Herrera, Hon. Carol	San Gabriel Valley COG
Hicks, Gill	Gill V. Hicks and Associates
Kodama, Michael	MK Planning Consultants
Kornreich, Don	
Kumar, Vin	Caltrans District 7
Lee, Francis	Caltrans District 7
Lopez, Ernest	SCAQMD
Marcus, Richard	OCTA
Neely, Sharon	ACE Construction Authority
Pearson, Fred	Parsons Brinckerhoff
Proo, Hon. Beatrice	City of Pico Rivera
Rodriguez, Dilara	Caltrans District 7
San Augustin, Liberty	Caltrans District 7
Saunders, Christine	Port of Los Angeles
Schiermeyer, Carl	RCTC
Smith, Steve	SANBAG
Staba, Gail	Moffett and Nichol
Uranga, Hon. Tonia Reyes	City of Long Beach
SCAG Staff	

Pfeffer, Nancy
Wong, Philbert

**GOODS MOVEMENT TASK FORCE MEETING MINUTES
WEDNESDAY, JANUARY 19, 2005**

1.0 CALL TO ORDER

Councilmember Art Brown, City of Buena Park, called the meeting to order. A list of those in attendance is included in the minutes. Self introductions were made.

2.0 PUBLIC COMMENT PERIOD

There were no public comments.

3.0 CONSENT CALENDAR

Approval Items

3.1.1 Approval of the December 15, 2004 Minutes

Motion to approve the December 15, 2004 Goods Movement Task Force minutes was seconded and accepted with no objections.

4.0 INFORMATION ITEMS

4.1 Colliding Worlds: Public vs. Private views of Goods Movement in Southern California

Mr. Jon DeCesare, WCL Consulting, presented this item. Today, companies recognize that logistics can provide them with competitive advantages, such as significant cost savings potential and increased customer satisfaction.

Because of this, global shippers are under constant competitive pressure to improve their supply chain logistics, which in turn reduces costs and enhances customer service. Shippers have been improving their supply chain logistics through improved supply chain management, implementing new technology, shortening product cycles, and reducing inventory carrying costs. One of the main implications of these competitive pressures is that goods movement delays will have major impacts on a company's costs and service.

The 'Colliding Worlds' theory states that the goods movement challenges facing Southern California are not understood by American corporate

management, even though actions by the public and private sectors have impacts on each other.

There are three steps that can be taken to help solve the disconnect between the public and private sector. First, improve public agencies' global supply chain knowledge in order help to build partnerships with the private sector. Second, improve global supply chain stakeholder interface processes and understanding. Third, educate supply chain shippers on challenges facing Southern California.

Ms. Sharon Neely, ACE Construction Authority, asked what the best way to educate shippers would be. Mr. DeCesare suggested two approaches: first, approach corporations directly and ask to speak with the Chief Executive Officer of the company; second, meet with industry trade associations, such as Toy Importers association.

4.2 Update on the Inland Empire Mainline Rail Study

Mr. Rob Leachman, Leachman and Associates, presented this item. The purpose of this study is to examine the mainline freight rail network along the BNSF and UP lines extending from Colton east to Indio and north to Barstow. This study builds upon work done on the Los Angeles-Inland Empire Mainline Rail Study, completed in October 2002, which examined the mainline freight rail network along the BNSF and UP lines between downtown Los Angeles and Colton crossing.

Work tasks completed to date include a documentation of rail infrastructure, traffic forecasts, and trackage required to maintain current operating conditions for the years 2010 and 2025. Work currently in progress includes an estimation of rail infrastructure costs, development of alternative railroad operating strategies, a ranking of these alternatives, and an emissions analysis. The consultant team is also working with the railroads and public agencies to define the rail infrastructure program.

Peak day traffic levels for the status quo routing scenario were quantified for the years 2000, 2010, and 2025. On the BNSF/UP Cajon pass line, freight train traffic is projected to increase from 94 in 2000 to 130 in 2010 to 187 in 2020. Along the UP Yuma line, freight traffic is projected to increase from 42 trains in 2000 to 60 in 2010 to 87 in 2020. If freight traffic reaches these levels, there will be a need for 2 tracks (there is 1 today) along most of the UP line between Colton and Indio, and for 4 or 6 tracks, depending on the segment, along the BNSF line between Colton and Barstow.

Under the status quo scenario, rail infrastructure costs needed by 2010 are \$1.1 billion, with an additional \$1.1 billion needed by 2025. These

improvements would allow present operating conditions to be maintained in 2025, which includes track, signal, and bridges, but does not include environmental mitigation measures such as soundwalls.

In addition to the status quo alternative, two other alternatives are being analyzed. In alternative 1, UP freights would be concentrated on the San Gabriel line west of Pomona and on the Alhambra line east of Pomona. Alternative 1a would maintain Metrolink Riverside line trains on their current route, while alternative 1b would reroute Metrolink Riverside line trains to the Alhambra line west of Pomona. Alternative 2 would concentrate UP freights on the Alhambra line. It is estimated that Alternative 1a would reduce rail infrastructure costs by \$145 million by 2025, alternative 1b would reduce costs by \$270 million, and alternative 2 would reduce costs by \$146 million.

These scenarios will be ranked using the following recommended criteria: total rail infrastructure costs; ability to accommodate future traffic growth; total vehicular delays at grade crossings; total pollution levels; and total population exposure to nearby heavy freight rail operations. The weighting of these criteria will be brought to the committee at a future meeting.

4.3 Update on the Port and Modal Elasticity Study

Mr. Rob Leachman, Leachman and Associates, presented this item. In the 2nd quarter of 2003, there were 70 total weekly vessel strings between Asia and the U.S. Of these 70, 21% made their first stop on the U.S. East coast, 52% made their first stop at LA/Long Beach, and 15% made their last stop at LA/Long Beach. Currently, the trade off between east and west coast ports is that transit time favors west coast ports, while shipping costs favor east coast ports.

Short-run discretionary traffic, defined in this study as intact containers going to/from the upper midwest, neutral east, and southern states, is estimated to be 48% of containers transiting the San Pedro Bay (SPB) ports (LA and Long Beach). Long-run discretionary traffic in this study is defined as traffic that is not ultimately destined for the local market, which is estimated to be 76% of containers transiting the SPB ports. Long-run discretionary traffic includes cargo that is transloaded in Southern California and reshipped to other regions as domestic freight. About 25% of containers are considered to be local traffic.

Dr. Leachman highlighted two factors that have an impact on the elasticity of cargo transiting the SPB ports. The first is the steamship lines' strategy to off-load most inland cargo at the first port of call, which is the SPB ports. The second factor is transloading, as an increasing number of

shippers are transloading goods in Southern California. Marine containers are mostly 40ft. long, while domestic containers are 53ft. long but have 70% more usable space than a 40 foot marine container. As a result, shippers are choosing to unload their 40 foot containers in Southern California and reload this cargo into 53ft. domestic containers, which allows them to ship their cargo to other parts of the country in far fewer containers. The trend towards using 53 foot containers is growing rapidly; in 2002, 48% of domestic containers were 53s, and by 2007, 85% will be.

The remaining work to be done in this study are: stakeholder interviews, an assessment of industry constraints and intangibles (such as contracts), and determining the funding potential of container fees and the best point for fee application. This study is scheduled to be completed by June, 2005.

The study team is also looking to obtain updated PIERS data and a distribution of values of cargoes shipped.

5.0 STAFF REPORT

Nancy Pfeffer, SCAG, announced that copies of the Goods Movement White Paper prepared for California Business, Transportation, and Housing Secretary Sunne McPeak were available for the committee. She also announced that the California EPA and Business Transportation and Housing agency are holding a joint workshop on goods movement on January 27-28 at Caltrans District 7 offices. In addition, SCAG will be hosting an Executive Stakeholders Roundtable on Monday, February 7.

6.0 COMMENT PERIOD

There were no comments.

7.0 NEXT MEETING

The next regular GMTF meeting will be:
Wednesday, February 16, 2005
9:30am-11:00am
SCAG Offices, San Bernardino Conference Rooms A&B

8.0 ADJOURNMENT

The meeting was adjourned at 11:00am.